

FACTOR AFFECTING SOLVENCY

COVERAGE

Definition of Employer

Excluded Employment

Definition of Covered Employment

Relatives

Students on work study

Patients Working in Hospitals

Voluntary Coverage

Students Working for Summer Camps

Work relief/work training program part.

Licensed sales people working for commission

People working for churches/religious entities

Direct Sellers

Coverage of Corporate Officers

Non-profits & Governments

FEDERAL RULES

Employers and employment covered by federal law must be covered by state law or the employer will pay higher (6.2% vs. 0.8%) FUTA.

Benefits shall not be paid to aliens who cannot legally work in the US.

All covered unless exempted

Allowed exemption enacted in VT

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Separation of Church & State (US Supreme Ct Decision)

Allowed exemption enacted in VT

Not exempted - therefore covered employment

Non-profits with 4 or more employees and governments must be covered by state law or all for-profit employers will pay 6.2% FUTA and the state will lose its administrative funding. Claimants must receive the same treatment as those of for-profit employers.

REVENUE

Tax Rates

The standard state tax rate must be 5.4% but an employer's rate may vary based upon experience factors directly related to unemployment risk. Only experience may be used to assign tax rates. The interval between experience levels shall be no greater than 0.9%. "New Employer" tax rates shall not be less than 1%.

Taxable Wage Base

The taxable wage base must equal or exceed the federal base (\$7000)

Experience Rating System

The experience of all employers must be measured by the same factors. Approved factors include payroll, benefit wages, benefits, and reserve ratio. If available, 3 or more years of experience must be used to quantify the experience. Public and non-profit employers may elect to be reimbursable.

Benefit Charging Methods

Non-charging of benefits

States are free to set as long as it creates an experience.

Non-charging of benefits is allowable if the unemployment results from the worker's own actions or the unemployment is beyond the control of the employer, except for general economic, trade or other business reasons.

Use of Unemployment Taxes

State unemployment taxes must be deposited immediately into the US Treasury. Those taxes can only be used to pay benefits.

MONETARY ENTITLEMENT

Qualifying Wage	A state shall not cancel wage credits except for fraud, misconduct, or receipt of disqualifying income.
Alternative Base Periods	Allowed election enacted in VT
Weekly Benefit Calculation	Compensation is defined as cash payments with respect to the individual's unemployment. "Unemployment" requires that one be able and available for work. States must participate in a system of combining wage credits among the states.
Waiting Week(s)	Election; not enacted in VT
Partial Unemployment & Income Disregard	Allowed election enacted in VT
Qualifying for a 2 nd benefit year	A worker who has received benefits must have worked since the beginning of that benefit year before qualifying for an additional benefit year.
Weekly benefit computation	Teachers/Administrators/ Researchers/ Professional Athletes shall not use wages from those fields to qualify for benefits between terms/seasons if likely to return to work for a similar employer.
Maximum Benefit	States are allowed to set
Duration of Benefits	States must participate in the federal/state extended benefit program.

NON-MONETARY ELIGIBILITY

Separation	No one shall be denied benefits: for refusing a job that requires him or her to join or resign from a union; for refusing a job that is vacant due to a labor dispute; when not available for work while in approved training; solely due to pregnancy; for refusing a job if the wages and working conditions are less favorable than that prevailing for similar work; for applying for benefits in a contiguous state or Canada.
Voluntary Quit	States are allowed to deny; enacted in VT
Leaving for Health Reasons	States are allowed to deny; enacted in VT
Misconduct connected to work	States are allowed to deny; enacted in VT
Non Separation	
Ability to Work	Ability and Availability to work are part of the definition of "unemployment."
Availability to Work	States are allowed to deny; enacted in VT
Refusal of suitable work	Allowed election practice if no attachment to work force
Required work search	
Disqualifying Income	
Pensions	Pensions maintained by a base period employer shall reduce benefits except that the state may limit the reduction if the employee contributed to the pension.

Social Security

Social Security shall reduce benefits except that the state may limit the reduction if the employee contributed to the pension.

Severance Pay

States are allowed to deny; enacted in VT

Vacation Pay

States are allowed to deny; enacted in VT

Holiday Pay

Election; not enacted in VT

Back Pay Award

States are allowed to deny; enacted in VT

Supplemental Unemployment

Election; not enacted in VT

Workers' Compensation TTD

States are allowed to deny; enacted in VT

OTHER

Short Time Compensation (Work Sharing)

Allowed election enacted in VT

Approved training

No one shall be denied benefits for refusing work if the training is approved under the Trade Act.

Seasonal Employment

Election; no provision in VT law